

STATE RISK MANAGEMENT FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2006

	September-06					August-06				July-06				Current FYTD	Prior Year FY06	3 Years Ended	5 Years Ended
	Market Value	Allocation		Quarter	Month	Market Value	Allocation		Month	Market Value	Allocation		Month	Net	Net	6/30/2006 Net	6/30/2006 Net
		Actual	Policy	Net ROR	Net ROR		Actual	Policy	Net ROR		Actual	Policy	Net ROR				
LARGE CAP DOMESTIC EQUITY																	
Structured Growth																	
Los Angeles Capital	126,362	3.3%	3.4%	1.60%	3.26%	88,932	3.1%	3.4%	2.18%	85,187	3.1%	3.4%	-3.70%	1.60%	11.12%	N/A	N/A
Total Structured Growth	126,362	3.3%	3.4%	1.60%	3.26%	88,932	3.1%	3.4%	2.18%	85,187	3.1%	3.4%	-3.70%	1.60%	11.12%	12.01%	-0.32%
Russell 1000 Growth				3.94%	2.75%				3.12%				-1.90%	3.94%	6.12%	8.35%	-0.76%
Structured Value																	
LSV	139,232	3.6%	3.4%	4.90%	1.86%	99,315	3.5%	3.4%	0.96%	96,307	3.5%	3.4%	2.02%	4.90%	15.05%	21.14%	12.22%
Russell 1000 Value				6.22%	1.99%				1.67%				2.43%	6.22%	12.10%	15.70%	6.89%
Russell 1000 Enhanced Index																	
LA Capital	252,049	6.5%	6.8%	3.71%	2.73%	178,299	6.3%	6.8%	2.09%	170,963	6.1%	6.8%	-1.11%	3.71%	11.58%	N/A	N/A
Russell 1000				5.06%	2.37%				2.40%				0.22%	5.06%	9.08%	N/A	N/A
S&P 500 Enhanced Index																	
Westridge	269,141	6.9%	6.8%	5.75%	2.60%	214,100	7.6%	6.8%	2.41%	204,628	7.3%	6.8%	0.65%	5.75%	8.77%	N/A	N/A
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	N/A	N/A
Index																	
State Street	93,496			5.78%	2.76%	66,137			2.06%	63,406			0.85%	5.78%	9.51%	11.47%	2.62%
Total Index	93,496	2.4%	2.3%	5.78%	2.76%	66,137	2.3%	2.3%	2.06%	63,406	2.3%	2.3%	0.85%	5.78%	9.51%	11.47%	2.62%
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	880,279	22.7%	22.5%	4.49%	2.66%	646,783	22.8%	22.5%	2.02%	620,491	22.3%	22.5%	-0.24%	4.49%	10.95%	13.63%	3.95%
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																	
Manager-of-Managers																	
SEI	290,872	7.5%	7.5%	-0.01%	1.39%	215,800	7.6%	7.5%	2.29%	199,265	7.2%	7.5%	-3.59%	-0.01%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				0.94%	1.00%				3.13%				-3.09%	0.94%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	290,872	7.5%	7.5%	-0.01%	1.39%	215,800	7.6%	7.5%	2.29%	199,265	7.2%	7.5%	-3.59%	-0.01%	13.58%	18.20%	7.86%
Russell 2000				0.44%	0.83%				2.96%				-3.25%	0.44%	14.58%	18.70%	8.50%
DOMESTIC FIXED INCOME																	
Core Bond																	
Western Asset	866,502	22.3%	22.4%	4.45%	0.90%	645,605	22.8%	22.4%	1.81%	633,489	22.7%	22.4%	1.67%	4.45%	-0.90%	7.36%	8.59%
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	2.05%	4.97%
Core Plus/Enhanced																	
Clifton Group	199,868	5.2%	5.2%	N/A	1.09%	147,039	5.2%	5.2%	1.49%	144,692	5.2%	5.2%	N/A	N/A	N/A	N/A	N/A
Prudential	197,637	5.1%	5.2%	N/A	1.42%	145,532	5.1%	5.2%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	397,505	10.3%	10.4%	N/A	1.25%	292,571	10.3%	10.4%	1.49%	144,692	5.2%	5.2%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%				
Index																	
Bank of ND	381,114	9.8%	9.8%	3.10%	0.92%	280,822	9.9%	9.8%	1.05%	419,824	15.1%	15.0%	1.09%	3.10%	-1.14%	1.14%	4.90%
Lehman Gov/Credit (1)				3.91%	0.98%				1.58%				1.30%	3.91%	-1.52%	1.04%	4.78%
BBB Average Quality																	
Wells Capital (formerly Strong)	866,268	22.3%	22.4%	4.60%	1.06%	644,440	22.7%	22.4%	1.97%	631,402	22.7%	22.4%	1.50%	4.60%	-2.11%	2.63%	N/A
Lehman US Credit BAA				4.80%	1.13%				2.02%				1.58%	4.80%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	2,511,389	64.8%	65.0%	4.28%	1.01%	1,863,437	65.7%	65.0%	1.76%	1,829,407	65.7%	65.0%	1.45%	4.28%	-1.39%	6.59%	7.79%
Lehman Aggregate (2)				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	1.84%	5.28%
CASH EQUIVALENTS																	
Bank of ND	194,519	5.0%	5.0%	1.35%	0.42%	108,792	3.8%	5.0%	0.47%	136,742	4.9%	5.0%	0.45%	1.35%	4.50%	2.71%	2.42%
90 Day T-Bill				1.33%	0.46%				0.44%				0.42%	1.33%	4.00%	2.37%	2.25%
TOTAL RISK MANAGEMENT FUND	3,877,059	100.0%	100.0%	3.91%	1.39%	2,834,812	100.0%	100.0%	1.79%	2,785,905	100.0%	100.0%	0.68%	3.91%	2.38%	5.46%	4.44%
POLICY TARGET BENCHMARK				3.85%	1.24%				1.77%				0.79%	3.85%	2.71%	5.12%	4.84%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.